

## 294 - PROPERTY AND CASUALTY RISK INTERNAL SERVICE FUND

### Operational Summary

#### Description:

The Property & Casualty Risk Internal Service Fund is a division of the CEO/Office of Risk Management whose mission is to preserve and protect the human and capital assets of the County of Orange.

#### At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	19,174,416
Total Recommended FY 2004-2005 Budget:	35,005,848
Percent of County General Fund:	N/A
Total Employees:	13.00

#### Strategic Goals:

- It is the goal of the Property & Casualty Risk Internal Service Fund to reduce costs associated with property damage, personal injury, and litigation. This goal is achieved by acquiring commercial insurance, effective liability claims management, prudent administration of the self-insured Liability Program, and providing risk assessment and risk avoidance consultation services to all County departments.

#### Key Outcome Indicators:

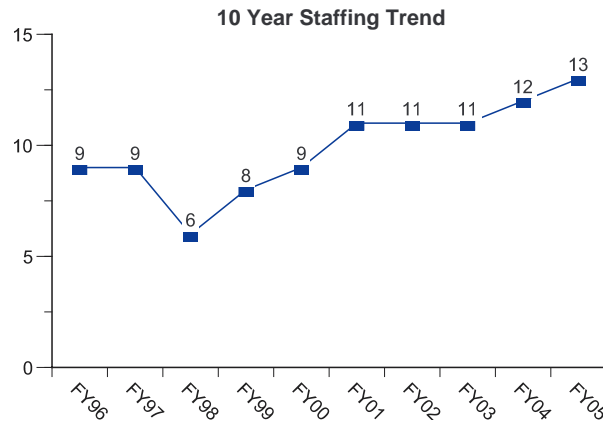
Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
<b>RELATIVE COST OF LIABILITY CLAIMS AND INSURANCE PROGRAM.</b> <b>What:</b> Shows the total expenditures of this program as a percent of total county expenditures. <b>Why:</b> Provides a constant measure of costs for all County departments.	Cost of Liability Claims and Insurance Program was less than 1% of total county expenditures (.36%).	Remain less than 1% of total county expenditures.	Liability Claims and Insurance Program costs for FY 2002-2003 were .36% of total county expenditures, far less than the benchmark.

#### FY 2003-2004 Key Project Accomplishments:

- Completed Intranet application for county employee's use, increased use of technology, increased support services to employees, and reduced printing costs. In particular, the management of insurance applications and loss reports has been simplified.
- Successfully placed all required commercial insurance for diverse and complex county needs.
- Increased insurance consultations and support in contract protections, insurance requirements, and program design to reduce risk of loss and cost.

**PROPERTY & CASUALTY RISK ISF** - The Property & Casualty Risk ISF administers and manages the County's Liability Claims Management Program, the Insurance and Financial Management Program, and the Americans with Disabilities Act (ADA II) Compliance Program.

### Ten Year Staffing Trend:



### Ten Year Staffing Trend Highlights:

- Increased insurance consultations and support for departments, increased fiscal analysis and reporting, shortened time frames for claim management and increasing responsibilities of the program required additional staff.

## Budget Summary

### Plan for Support of the County's Strategic Priorities:

Support the overall mission of the County Executive Office and Strategic Financial Plan.

### Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected <sup>(1)</sup> At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	13	13	13	0	0.00
Total Revenues	34,016,473	39,515,074	36,370,532	35,005,848	(1,364,684)	-3.75
Total Requirements	12,873,175	34,930,364	19,179,750	35,005,848	15,853,098	82.77
Balance	21,143,298	4,584,710	17,190,782	0	(17,217,782)	-100.00

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Property and Casualty Risk Internal Service Fund in the Appendix on page 614.

### Highlights of Key Trends:

- The budgeted appropriations included retained earnings.
- Complexity and diversity of liability claims continues to increase.
- Continuing increases in commercial insurance premiums.

## 294 - PROPERTY AND CASUALTY RISK ISF

### Operation of Internal Service Fund 294 Operational Statement for the Fiscal Year 2004 - 2005

Operating Detail (1)	2002-2003 Actual (2)	2003-2004 Estimate (3)	2004 - 2005 Proposed Budget (4)	2004 - 2005 Final Budget (5)
<b>Operating Income</b>				
7710 Insurance Premiums	9,437,108	14,553,773	17,163,976	17,163,976
<b>Total Operating Income</b>	<b>9,437,108</b>	<b>14,553,773</b>	<b>17,163,976</b>	<b>17,163,976</b>

#### Operating Expenses

##### Salaries & Benefits

0100 Salaries And Wages	77,985	0	0	0
0101 Regular Salaries	599,716	694,041	771,754	771,754
0103 Overtime	1,069	1,613	5,000	5,000
0104 Annual Leave Payoffs	988	30,036	40,000	40,000
0105 Vacation Payoff	3,030	0	0	0
0110 Performance Incentive Pay	0	2,738	0	0
0200 Retirement	50,500	84,104	117,473	117,473
0301 Unemployment Insurance	821	1,122	1,144	1,144
0305 Salary Continuance Insurance	1,466	1,935	2,260	2,260
0306 Health Insurance	63,564	89,430	110,664	110,664
0308 Dental Insurance	3,060	3,788	4,560	4,560
0309 Life Insurance	508	608	636	636
0310 Accidental Death And Dismemberment Insurance	100	116	120	120
0319 Other Insurance	4,632	5,184	4,992	4,992
0352 Workers Compensation - General	3,204	4,836	5,795	5,795
0401 Medicare	5,522	7,346	8,097	8,097
<b>Total Salaries &amp; Benefits</b>	<b>816,166</b>	<b>926,897</b>	<b>1,072,495</b>	<b>1,072,495</b>

##### Services & Supplies

0700 Communications	2,007	2,250	20,000	20,000
0701 Telephone/Telegraph - Interfund Transfer	14,159	12,750	0	0
1100 Insurance	8,359,180	9,508,869	10,459,756	10,459,756
1300 Maintenance - Equipment	605	4,000	4,000	4,000
1400 Maintenance - Buildings And Improvements	344	1,300	1,600	1,600
1402 Minor Alterations And Improvements	2,423	300	0	0
1600 Memberships	1,040	1,275	2,000	2,000
1800 Office Expense	15,587	14,834	30,000	30,000
1801 Duplicating Services (RDMD/Reprographics)	1,198	1,378	0	0
1802 Periodicals And Journals	0	388	0	0
1803 Postage	1,800	1,500	0	0
1806 Printing Costs - Outside Vendors	113	0	0	0
1809 Minor Office Equipment To Be Controlled	9,184	16,450	0	0

## Operation of Internal Service Fund 294 Operational Statement for the Fiscal Year 2004 - 2005 (Continued)

Operating Detail (1)		2002-2003 Actual (2)	2003-2004 Estimate (3)	2004 - 2005 Proposed Budget (4)	2004 - 2005 Final Budget (5)
1900	Professional And Specialized Services	114,508	169,411	475,193	475,193
1901	Data Processing Services	3,547	3,000	0	0
1908	Temporary Help	3,576	0	0	0
1911	CWCAP Charges	110,249	156,160	136,823	136,823
2100	Rents And Leases - Equipment	5,149	12,657	12,000	12,000
2200	Rents And Leases - Buildings And Improvements	2,600	3,040	5,000	5,000
2400	Special Departmental Expense	2,160	4,149	10,000	10,000
2405	Optional Benefit Plan	10,000	12,500	12,480	12,480
2600	Transportation And Travel - General	17	500	500	500
2700	Transportation And Travel - Meetings/Conferences	1,647	5,000	5,000	5,000
2890	Intra-Agency Services & Supplies Billing Offsets	(2,219)	(3,462)	(3,540)	(3,540)
Total Services & Supplies		8,658,874	9,928,249	11,170,812	11,170,812
Other Charges					
3500	Judgments And Damages *	3,348,223	8,278,167	22,411,452	22,411,452
Total Other Charges		3,348,223	8,278,167	22,411,452	22,411,452
Fixed Assets					
4000	Equipment	0	0	200,000	200,000
Total Fixed Assets		0	0	200,000	200,000
Miscellaneous					
5300	Depreciation	1,089	1,089	1,089	1,089
Total Miscellaneous		1,089	1,089	1,089	1,089
<b>Total Operating Expenses</b>		<b>12,824,351</b>	<b>19,134,402</b>	<b>34,855,848</b>	<b>34,855,848</b>
<b>Total Operating Income (Loss)</b>		<b>(3,387,243)</b>	<b>(4,580,629)</b>	<b>(17,691,871)</b>	<b>(17,691,871)</b>
<b>Non-Operating Revenue</b>					
6610	Interest	709,384	401,080	350,000	350,000
7670	Miscellaneous Revenue	438,112	264,552	300,000	300,000
7680	Six-Month Expired (Outlawed) Checks	2,715	0	0	0
<b>Total Non-Operating Revenue</b>		<b>1,150,211</b>	<b>665,632</b>	<b>650,000</b>	<b>650,000</b>
<b>Non-Operating Expense</b>					
1912	Investment Administrative Fees	48,824	41,387	50,000	50,000
<b>Total Non-Operating Expenses</b>		<b>48,824</b>	<b>41,387</b>	<b>50,000</b>	<b>50,000</b>
<b>Net Non-Operating Income (Loss)</b>		<b>1,101,387</b>	<b>624,245</b>	<b>600,000</b>	<b>600,000</b>
<b>Income (Loss) Before Contributions &amp; Transfers **</b>		<b>(2,285,856)</b>	<b>(3,956,384)</b>	<b>(17,091,871)</b>	<b>(17,091,871)</b>
<b>Fixed Asset Expenditures</b>					
Fixed Assets					

## Operation of Internal Service Fund 294

### Operational Statement for the Fiscal Year 2004 - 2005 (Continued)

Operating Detail (1)		2002-2003 Actual (2)	2003-2004 Estimate (3)	2004 - 2005 Proposed Budget (4)	2004 - 2005 Final Budget (5)
4000	Equipment	0	0	200,000	200,000
<b>Total Fixed Asset Expenditures</b>		0	0	200,000	200,000

#### Statement Of Changes In Net Assets - Unrestricted

Income (Loss) Before Contributions & Transfers		(2,285,856)	(3,956,384)	(17,091,871)	(17,091,871)
4801	Intrafund Transfers Out - To Funds 101-199	0	0	(100,000)	(100,000)
Changes To Reserves - Encumbrance - (Inc.)/Dec.		19,982	2,779	0	0
Changes To Reserves - Net Assets, Invested In Capital Assets, Net Of Related Debt - (Inc.)/Dec.		1,089	1,089	1,089	1,089
Increase (Decrease) In Net Assets - Unrestricted		(2,264,786)	(3,952,516)	(17,190,782)	(17,190,782)
Net Assets - Unrestricted - Beginning Of Year		23,408,084	21,143,298	17,190,782	17,190,782
Net Assets - Unrestricted - End Of Year		21,143,298	17,190,782	0	0

\* Note - The County Has Adopted A Policy Of Including In The Fiscal Year-End Expense Accruals An Amount Equal To Claims "Incurred But Not Reported" (IBNR) As Well As Reported Claims

\*\* Note - Loss Before Contributions & Transfers Is Offset By Net Assets - Unrestricted Carried Forward From Previous Fiscal Year.